

**AMENDMENT OFFERED BY MRS. CUBIN**  
**TO THE MEDICARE RECONCILIATION PROVISIONS**

Amend section 4605(c) to read as follows:

1       (c) REQUIREMENTS FOR DEVELOPING NEW RE-  
2 SOURCE-BASED PRACTICE EXPENSE RELATIVE VALUE  
3 UNITS (RVUS).—

4           (1) DEVELOPMENT.—For purposes of section  
5 1848(c)(2)(C) of the Social Security Act, the Sec-  
6 retary of Health and Human Services shall develop  
7 new resource-based relative value units. In develop-  
8 ing such units the Secretary shall—

9           (A) consider alternative approaches in de-  
10 veloping practice expense relative value units.  
11 The Secretary shall specifically consider the ad-  
12 visability and feasibility of—

13           (i) utilizing generally accepted ac-  
14 counting principles which recognize all  
15 staff, equipment, supplies, and expenses,  
16 not just those which can be tied to specific  
17 procedures;

18           (ii) using actual data on equipment  
19 utilization and other key assumptions, such  
20 as the proportion of costs which are direct  
21 versus indirect; and

1 (iii) using other sources of data on ac-  
2 tual and relative costs of physician serv-  
3 ices, including existing data on direct and  
4 indirect costs and analysis from clinical  
5 practice expert panels;

6 (B) consult with organizations representing  
7 physicians regarding methodology and data to  
8 be used, including data for impact projections,  
9 in order to ensure that sufficient input has been  
10 received from the physician community; and

11 (C) consider potential adverse and bene-  
12 ficial effects on patient access under the Medi-  
13 care program.

14 (2) REPORT.—The Secretary shall transmit a  
15 report by May 1, 1998, on the development of re-  
16 source-based relative value units under paragraph  
17 (1) to the Committee on Ways and Means and the  
18 Committee on Commerce of the House of Represent-  
19 atives and the Committee on Finance of the Senate.  
20 The report shall include a discussion of data to be  
21 used in developing the value units and an expla-  
22 nation of the methodology, including the advisability  
23 and feasibility of utilizing the alternative data  
24 sources specified in paragraph (1)(A).

1           (3) NOTICE OF PROPOSED RULEMAKING.—The  
2       Secretary shall publish a notice of proposed rule-  
3       making with the new resource-based relative value  
4       units on or before July 1, 1998, and shall allow for  
5       a 90-day comment period.

6           (4) ITEMS INCLUDED.—The proposed new rule  
7       shall include the following:

8                 (A) Impact projections for specialties and  
9       subspecialties and for primary care physicians,  
10      geographic payment localities, urban versus  
11      rural locations, and academic versus nonaca-  
12      demic medical staffs.

13                (B) Impact projections on access to care  
14      for Medicare patients, including access to pri-  
15      mary care services.

16           (5) REPORT FROM THE MEDICARE PAYMENT  
17      ADVISORY COMMISSION.—No later than 45 days  
18      from publication of the proposed new rule under  
19      paragraph (3), the Medicare Payment Advisory  
20      Commission shall transmit a report on the Sec-  
21      retary's development of resource-based relative value  
22      units under paragraph (1) to the Committee on  
23      Ways and Means and the Committee on Commerce  
24      of the House of Representatives and the Committee  
25      on Finance of the Senate. The report from the Com-

1 mission shall include a discussion of the advisability  
2 and feasibility of the data and methodology utilized  
3 by the Secretary to develop new resource-based rel-  
4 ative value units.